



DEPARTMENT OF COMMERCE

International Trade Administration

[C-122-858]

Certain Softwood Lumber Products from Canada: Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review, 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain softwood lumber products (softwood lumber) from Canada. The period of review is January 1, 2019, through December 31, 2019. Interested parties are invited to comment on these preliminary results.

DATES: Applicable **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

FOR FURTHER INFORMATION CONTACT: Jonathan Hall-Eastman (Canfor), John Hoffner (JDIL), Kristen Johnson/Samuel Brummitt (Resolute), and Laura Griffith (West Fraser), AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1468, (202) 482-3315, (202) 482-4793/(202) 482-7851, and (202) 482-6430, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2018, Commerce published in the *Federal Register* the countervailing duty (CVD) order on softwood lumber from Canada.¹ Several interested parties requested that

¹ See *Certain Softwood Lumber Products from Canada: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 83 FR 347 (January 3, 2018) (*CVD Order*).

Commerce conduct an administrative review of the *CVD Order* and, on March 10, 2020, Commerce published in the *Federal Register* a notice of initiation of the second administrative review.² On May 19, 2020, Commerce selected the following producers and exporters as the mandatory respondents in the administrative review: Canfor Corporation, Resolute FP Canada Inc., and West Fraser Mills Ltd.³ On September 14, 2020, Commerce selected J.D. Irving, Limited as a voluntary respondent in the administrative review.⁴

Commerce tolled all deadlines in administrative reviews by 50 days on April 24, 2020, and by an additional 60 days on July 21, 2020,⁵ thereby extending the deadline for these preliminary results until January 21, 2021. On December 2, 2020, Commerce extended the deadline for the preliminary results of this administrative review to May 20, 2021, in accordance with 19 CFR 351.213(h)(2).⁶

Scope of the Order

The product covered by this order is certain softwood lumber products from Canada. For a complete description of the scope of the *CVD Order*, see the Preliminary Decision Memorandum.⁷

Methodology

Commerce is conducting this CVD administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 13860 (March 10, 2020).

³ See Memorandum, “Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Respondent Selection,” dated May 19, 2020.

⁴ See Commerce’s Letter, “Second Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Selection of JD Irving, Ltd. as a Voluntary Respondent,” September 14, 2020.

⁵ See Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19,” dated April 24, 2020; see also Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

⁶ See Memorandum, “Certain Softwood Lumber Products from Canada: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review, 2019,” dated December 2, 2020.

⁷ See Memorandum, “Decision Memorandum for the Preliminary Results of Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada; 2019,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum). The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/index.html>.

found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁸ For a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memorandum. The list of topics discussed in the Preliminary Decision Memorandum is included at Appendix I.

Partial Rescission of Administrative Review

As a result of the final results of the CVD expedited review covering the *CVD Order*, subject merchandise produced and exported by certain companies is excluded from the *CVD Order*.⁹

On May 6, 2021, Commerce issued a memorandum regarding its intent to rescind this administrative review, in part, for the companies excluded from the *CVD Order*.¹⁰ No interested party submitted comments on the Intent to Rescind Review In Part Memorandum. We therefore are rescinding the administrative review with respect to D&G, MLI, NAFP, Roland, and Lemay for which there was a request for review.

Subject merchandise which D&G, MLI, NAFP, Roland, and Lemay exports but does not produce, as well as subject merchandise that D&G, MLI, NAFP, Roland, and Lemay produces but is exported by another company, remains subject to the *CVD Order*. Based on the facts of this administrative review, we are also rescinding the review of D&G, MLI, NAFP, Roland, and Lemay where they may have been the producer or exporter given that there were no such entries during the POR. For further information on the companies excluded from the *CVD Order*, *see*

⁸ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁹ See *Certain Softwood Lumber Products from Canada: Final Results of Countervailing Duty Expedited Review*, 84 FR 32121 (July 5, 2019). The excluded companies are: Les Produits Forestiers D&G Ltee (D&G), Marcel Lauzon Inc. (MLI), North American Forest Products Ltd. (NAFP) (located in Saint-Quentin, New Brunswick), Roland Boulanger & Cie Ltee (Roland), and Scierie Alexandre Lemay & Fils Inc. (Lemay).

¹⁰ See Memorandum, “Administrative Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada: Intent to Rescind the 2019 Administrative Review, in Part,” dated May 6, 2021 (Intent to Rescind Review In Part Memorandum).

“Non-Shipment Claim and Partial Rescission of Review” in the Preliminary Decision Memorandum.

Rate for Non-Selected Companies Under Review

There are 261 companies for which a review was requested and not rescinded, but were not selected as mandatory respondents. The statute and Commerce’s regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and/or producers individually examined, excluding any zero, *de minimis*, or rates based entirely on facts available. In this review, none of the rates for the respondents were zero, *de minimis*, or based entirely on facts available. Therefore, for the POR, we are assigning to the non-selected companies an average of the subsidy rates calculated for the companies that were selected as respondents in the administrative review.

For further information on the calculation of the non-selected rate, *see* “Preliminary *Ad Valorem* Rate for Non-Selected Companies under Review” in the Preliminary Decision Memorandum. A list of all the non-selected companies is included in Appendix II.

Preliminary Results of Review

For the period January 1, 2019, through December 31, 2019, we preliminarily determine the following estimated countervailable subsidy rates:

Companies	Subsidy Rate (percent) <i>ad valorem</i>
-----------	--

Canfor Corporation and its cross-owned affiliates ¹¹	2.42
J.D. Irving, Limited and its cross-owned affiliates ¹²	3.77
Resolute FP Canada Inc. and its cross-owned affiliates ¹³	18.17
West Fraser Mills Ltd. and its cross-owned affiliates ¹⁴	4.80
Non-Selected Companies	6.27

Assessment Rate

In accordance with 19 CFR 351.221(b)(4)(i), Commerce has preliminarily assigned subsidy rates as indicated above. Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. Commerce intends to issue assessment instructions to CBP no earlier than 41 days after the date of publication of the final results of this review in the *Federal Register*, in accordance with 19 CFR 356.8(a). If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Rate

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts indicated above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed companies,

¹¹ Commerce finds the following companies to be cross-owned with Canfor Corporation: Canadian Forest Products, Ltd. and Canfor Wood Products Marketing, Ltd.

¹² Commerce finds the following companies to be cross-owned with J.D. Irving, Limited: Miramichi Timber Holdings Limited, The New Brunswick Railway Company, Rothesay Paper Holdings Ltd., and St. George Pulp & Paper Limited.

¹³ Commerce finds the following companies to be cross-owned with Resolute: Resolute Growth Canada Inc., Produits Forestiers Maurice S.E.C., and Resolute Forest Products Inc.

¹⁴ Commerce finds the following companies to be cross-owned with West Fraser: West Fraser Timber Co., Ltd., Blue Ridge Lumber Inc., Sunpine Inc., Sundre Forest Products Inc., Manning Forest Products, and West Fraser Alberta Holdings.

we will instruct CBP to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

Commerce intends to disclose to parties to this proceeding the calculations performed in reaching these preliminary results within five days of publication of this notice in the *Federal Register*.¹⁵ Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results. Rebuttal comments (rebuttal briefs), limited to issues raised in case briefs, are due within seven days after the time limit for filing case briefs.¹⁶ Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁷ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁸

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using ACCESS.¹⁹ Requests should contain the party's name, address, and telephone number; the number of participants and whether any participant is a foreign national; and a list of the issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs.²⁰ If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and time of the hearing two days before the scheduled date. Parties are

¹⁵ See 19 CFR 351.224(b).

¹⁶ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

¹⁷ See 19 CFR 351.309(c)(2) and 351.309(d)(2).

¹⁸ See *Temporary Rule*.

¹⁹ See 19 CFR 351.310(c).

²⁰ See 19 CFR 351.310.

reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5:00 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised by parties in their comments, within 120 days after the date of publication of these preliminary results.

Notification to Interested Parties

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: May 20, 2021.

Ryan Majerus,

Deputy Assistant Secretary

for Policy and Negotiations.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
- IV. Non-Shipment Claim and Partial Rescission of Review
- V. Scope of the Order
- VI. Subsidies Valuation
- VII. Analysis of Programs
- VIII. Preliminary *Ad Valorem* Rate for Non-Selected Companies Under Review
- IX. Recommendation

Appendix II

Non-Selected Exporters/Producers

1074712 BC Ltd.
258258 B.C. Ltd., dba Pacific Coast Cedar Products
5214875 Manitoba Ltd.
752615 B.C Ltd., Fraserview Remanufacturing Inc., dba Fraserview Cedar Products.
9224–5737 Quebec Inc. (aka A.G. Bois)
A.B. Cedar Shingle Inc.
Absolute Lumber Products, Ltd.
AJ Forest Products Ltd.
Alberta Spruce Industries Ltd.
Aler Forest Products, Ltd.
Alpa Lumber Mills Inc.
AM Lumber Brokerage
American Pacific Wood Products
Anbrook Industries Ltd.
Andersen Pacific Forest Products Ltd.
Anglo-American Cedar Products, Ltd.
Antrim Cedar Corporation
Aquila Cedar Products, Ltd.
Arbec Lumber Inc.
Aspen Planers Ltd.
B&L Forest Products Ltd.
B.B. Pallets Inc.
Babine Forest Products Limited
Bakerview Forest Products Inc.
Bardobec Inc.
BarretteWood Inc.
Barrette-Chapais Ltee
Benoit & Dionne Produits Forestiers Ltee
Best Quality Cedar Products Ltd.
Blanchet Multi Concept Inc.
Blanchette & Blanchette Inc.
Bois Aise de Montreal Inc.
Bois Bonsai Inc.
Bois Daaquam Inc.
Bois D'oeuvre Cedrico Inc. (aka Cedrico Lumber Inc.)
Bois et Solutions Marketing SPEC, Inc.
Boisaco Inc.
Boscus Canada Inc.
BPWood Ltd.
Bramwood Forest Inc.
Brink Forest Products Ltd.
Brunswick Valley Lumber Inc.
Busque & Laflamme Inc.
C&C Wood Products Ltd.
Caledonia Forest Products Inc.
Campbell River Shake & Shingle Co., Ltd.
Canadian American Forest Products Ltd.
Canadian Wood Products Inc.

Canasia Forest Industries Ltd
Canusa cedar inc.
Canyon Lumber Company, Ltd.
Careau Bois Inc.
Carrier & Begin Inc.
Carrier Forest Products Ltd.
Carrier Lumber Ltd.
Cedar Valley Holdings Ltd.
Cedarline Industries, Ltd.
Central Alberta Pallet Supply
Central Cedar Ltd.
Central Forest Products Inc.
Centurion Lumber, Ltd.
Chaleur Sawmills LP
Channel-ex Trading Corporation
Clair Industrial Development Corp. Ltd.
Clermond Hamel Ltee
CNH Products Inc.
Coast Clear Wood Ltd.
Coast Mountain Cedar Products Ltd.
Columbia River Shake & Shingle Ltd./Teal Cedar Products Ltd., dba The Teal Jones Group
Commonwealth Plywood Co. Ltd.
Comox Valley Shakes Ltd./Comox Valley Shakes (2019) Ltd.
Conifex Fibre Marketing Inc.
Cowichan Lumber Ltd.
CS Manufacturing Inc., dba Cedarshed
CWP—Industriel Inc.
CWP—Montreal Inc.
D & D Pallets, Ltd.
Dakeryn Industries Ltd.
Decker Lake Forest Products Ltd.
Delco Forest Products Ltd.
Delta Cedar Specialties Ltd.
Devon Lumber Co. Ltd.
DH Manufacturing Inc.
Direct Cedar Supplies Ltd.
Doubletree Forest Products Ltd.
Downie Timber Ltd.
Dunkley Lumber Ltd.
EACOM Timber Corporation
East Fraser Fiber Co. Ltd.
Edgewood Forest Products Inc.
ER Probyn Export Ltd.
Eric Goguen & Sons Ltd.
Falcon Lumber Ltd.
Fontaine Inc.
Foothills Forest Products Inc.
Fornebu Lumber Company Inc.
Fraser Specialty Products Ltd.
FraserWood Inc.
FraserWood Industries Ltd.
Furtado Forest Products Ltd.

G & R Cedar Ltd.
Galloway Lumber Company Ltd.
Gilbert Smith Forest Products Ltd.
Glandell Enterprises Inc.
Goat Lake Forest Products Ltd.
Goldband Shake & Shingle Ltd.
Golden Ears Shingle Ltd.
Goldwood Industries Ltd.
Goodfellow Inc.
Gorman Bros. Lumber Ltd.
Groupe Crete Chertsey Inc.
Groupe Crete Division St-Faustin Inc.
Groupe Lebel Inc.
Groupe Lignarex Inc.
H.J. Crabbe & Sons Ltd.
Haida Forest Products Ltd.
Harry Freeman & Son Ltd.
Hornepayne Lumber LP
Imperial Cedar Products, Ltd.
Imperial Shake Co. Ltd.
Independent Building Materials Dist.
Interfor Corporation
Island Cedar Products Ltd
Ivor Forest Products Ltd.
J&G Log Works Ltd.
J.H. Huscroft Ltd.
Jan Woodlands (2001) Inc.
Jasco Forest Products Ltd.
Jazz Forest Products Ltd.
Jhaji Lumber Corporation
Kalesnikoff Lumber Co. Ltd.
Kan Wood, Ltd.
Kebois Ltee/Ltd.
Keystone Timber Ltd.
Kootenay Innovative Wood Ltd.
L'Atelier de Readaptation au Travail de Beauce Inc.
Lafontaine Lumber Inc.
Langevin Forest Products Inc.
Lecours Lumber Co. Limited
Ledwidge Lumber Co. Ltd.
Leisure Lumber Ltd.
Les Bois d'oeuvre Beaudoin Gauthier inc.
Les Bois Martek Lumber
Les Bois Traites M.G. Inc.
Les Chantiers de Chibougamau Ltd.
Leslie Forest Products Ltd.
Lignum Forest Products LLP
Linwood Homes Ltd.
Longlac Lumber Inc.
Lulumco Inc.
Magnum Forest Products, Ltd.
Maibec inc.

Manitou Forest Products Ltd.
Marwood Ltd.
Materiaux Blanchet Inc.
Matsqui Management and Consulting Services Ltd., dba Canadian Cedar Roofing Depot
Metrie Canada Ltd.
Mid Valley Lumber Specialties, Ltd.
Midway Lumber Mills Ltd.
Mill & Timber Products Ltd.
Millar Western Forest Products Ltd.
Mobilier Rustique (Beauce) Inc.
MP Atlantic Wood Ltd.
Multicedre ltee
Murray Brothers Lumber Company Ltd
Nakina Lumber Inc.
National Forest Products Ltd.
New Future Lumber Ltd.
Nicholson and Cates Ltd
Norsask Forest Products Limited Partnership
North American Forest Products Ltd. (located in Abbotsford, British Columbia)
North Enderby Timber Ltd.
Oikawa Enterprises Ltd.
Olympic Industries, Inc./Olympic Industries Inc-Reman Code/Olympic Industries ULC/Olympic Industries ULC-Reman/Olympic Industries ULC-Reman Code
Oregon Canadian Forest Products
Pacific Coast Cedar Products, Ltd.
Pacific Pallet, Ltd.
Pacific Western Wood Works Ltd.
Parallel Wood Products Ltd.
Pat Power Forest Products Corporation
Phoenix Forest Products Inc.
Pine Ideas Ltd.
Pioneer Pallet & Lumber Ltd.
Porcupine Wood Products Ltd.
Power Wood Corp.
Precision Cedar Products Corp.
Prendiville Industries Ltd. (aka, Kenora Forest Products)
Produits Forestiers Petit Paris Inc.
Produits forestiers Temrex, s.e.c.
Produits Matra Inc. and Sechoirs de Beauce Inc.
Promobois G.D.S. inc.
Quadra Cedar
Rayonier A.M. Canada GP
Rembos Inc.
Rene Bernard Inc.
Richard Lutes Cedar Inc.
Rielly Industrial Lumber Inc.
S & K Cedar Products Ltd.
S&R Sawmills Ltd
S&W Forest Products Ltd.
San Industries Ltd.
Sawarne Lumber Co. Ltd.
Scierie P.S.E. Inc.

Scierie St-Michel inc.
Scierie West Brome Inc.
Scotsburn Lumber Co. Ltd.
Scott Lumber Sales
Serpentine Cedar Ltd.
Sexton Lumber Co. Ltd.
Sigurdson Forest Products Ltd.
Silvaris Corporation
Silver Creek Premium Products Ltd.
Sinclar Group Forest Products Ltd.
Skana Forest Products Ltd.
Skeena Sawmills Ltd
Sound Spars Enterprise Ltd.
South Beach Trading Inc.
Specialiste du Bardeau de Cedre Inc
Spruceland Millworks Inc.
Star Lumber Canada Ltd.
Sundher Timber Products Ltd.
Surrey Cedar Ltd.
T.G. Wood Products, Ltd.
Taan Forest LP/Taan Forest Products
Taiga Building Products Ltd.
Tall Tree Lumber Company
Tembec Inc.
Temrex Produits Forestiers s.e.c.
Terminal Forest Products Ltd.
The Wood Source Inc.
Tolko Industries Ltd. and Tolko Marketing and Sales Ltd.
Trans-Pacific Trading Ltd.
Triad Forest Products Ltd.
Twin Rivers Paper Co. Inc.
Tyee Timber Products Ltd.
Universal Lumber Sales Ltd.
Usine Sartigan Inc.
Vaagen Fibre Canada, ULC
Valley Cedar 2 Inc./Valley Cedar 2 ULC
Vancouver Island Shingle, Ltd.
Vancouver Specialty Cedar Products Ltd.
Vanderhoof Specialty Wood Products Ltd.
Visscher Lumber Inc
W.I. Woodtone Industries Inc.
Waldun Forest Product Sales Ltd.
Watkins Sawmills Ltd.
West Bay Forest Products Ltd.
West Wind Hardwood Inc.
Western Forest Products Inc.
Western Lumber Sales Limited
Western Wood Preservers Ltd.
Weston Forest Products Inc.
Westrend Exteriors Inc.
Weyerhaeuser Co.
White River Forest Products L.P.

Winton Homes Ltd.
Woodline Forest Products Ltd.
Woodstock Forest Products/Woodstock Forest Products Inc.
Woodtone Specialties Inc.
Yarrow Wood Ltd.

[FR Doc. 2021-11169 Filed: 5/26/2021 8:45 am; Publication Date: 5/27/2021]